



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

At its meeting held October 3, 2006, the Board took the following action:

21

The following item was called up for consideration:

The Director of Health Services' joint recommendation with the Chief Administrative Officer and the Director of Public Works to approve design and construction changes to building infrastructure for the LAC+USC Medical Center Replacement Facility, which is necessary to improve the functionality of the current telecommunications system as well as ready the facility for future upgrades necessary to accommodate communication system needs, at an estimated cost of \$168,000, which includes \$100,000 in additional construction costs, \$66,700 in additional design fees, and \$1,300 in estimated permitting fees; and approve the following related actions:

Approve and authorize the Director of Public Works to execute a supplemental agreement with Helmuth, Obata, Kassabaum + Lee, Burkhardt, Liu to provide architectural design services associated with upgrades to the telecom system for the estimated not-to-exceed amount of \$66,700;

Approve an increase of \$168,000 to the total project budget for enhancement of telecom systems to accommodate Voice-Over Internet Protocol (VoIP) and other future technology; and

Approve appropriation adjustment in the amount of \$168,000 to transfer funding from the Fiscal Year 2006-07 LAC+USC Medical Center operating budget to the Fiscal Year 2006-07 LAC+USC Medical Center Replacement Facility Capital Project for the cost of the recommended changes.

(Continued on Page 2)

Supervisor Molina made the following statement:

“On August 22, 2006, the Board of Supervisors directed the Chief Administrative Office (CAO) and various departments to report back on the advisability of utilizing a new technology called Voice-over Internet Protocol (VoIP) for the telephone system at the replacement LAC+USC Medical Center. In addition, the Board asked the Auditor-Controller to review the selection process for the technology and for the selection of Cisco architecture as the Countywide standard for all future County-purchased VoIP telephone systems, both of which occurred in 2004 under the direction of the Chief Information Officer (CIO).

“The CAO and CIO have since provided a report detailing the advantages of the VoIP technology and outlining the steps that will be taken to ensure that it will function with the reliability required in a critical hospital environment.

“However, the Auditor-Controller has reported to the Board numerous problems with the selection process. First, the selection of VoIP as the new standard for new telephone systems in all new County buildings was not submitted to the Board of Supervisors for approval as required by County Code. Second, the selection of Cisco as the standard for all systems to be leased or purchased was also not submitted to the Board of Supervisors for approval as required by County Code. Finally, the Auditor-Controller expressed concern that the evaluation process conferred very little weight to the cost criteria. The Auditor-Controller concluded that greater consideration to cost could have altered the selection to a lower cost vendor. In the three hypothetical cost scenarios evaluated, Cisco provided cost estimates that ranged from 30% to nearly 70% more than the second-place finisher. Given that the County will spend millions of dollars on telephone equipment in the near future, it is prudent to evaluate this issue to determine if this cost differential is justified.”

David Janssen, Chief Administrative Officer, Tom Tindall, Chief Deputy Director for the Department of Internal Services, and Gregory Melendez, Interim Chief Deputy of the Chief Information Office, responded to questions posed by the Board.

(Continued on Page 3)

## 21 (Continued)

After discussion, on motion of Supervisor Molina, seconded by Supervisor Knabe, unanimously carried, the Board took the following actions:

1. Approved the Director of Health Services' attached joint recommendation with the Chief Administrative Officer and the Director of Public Works;
2. Instructed the Chief Administrative Officer with the assistance of County Counsel and the Auditor-Controller to evaluate and report back to the Board within 30 days, whether a new selection process should be conducted for the selection of a Countywide VoIP standard given the flaws in the previous selection as outlined by the Auditor-Controller, and given the potential for increased costs if the current selection remains in effect;
3. Adopted the recommendations outlined in the attached September 22, 2006 Auditor-Controller Report to assure proper procedures are followed; and
4. Instructed the relevant departments to provide the Board an implementation report within 30 days.

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### Attachments

#### Copies distributed:

Each Supervisor  
Auditor-Controller  
Chief Administrative Officer  
Chief Information Officer  
County Counsel  
Director of Health Services  
Director of Internal Services  
Director of Public Works